Directorate of
Intelligence

Secret

25X1

The Philippines: Rescheduling and Austerity Presage More Political Turbulence

25X1

An Intelligence Assessment

Secret

EA 83-10229
November 1983

Copy 288

Page Denied

Directorate of Intelligence

Secret

25X1

The Philippines: Rescheduling and Austerity Presage More Political Turbulence

25X1

An Intelligence Assessment

This paper was prepared by , Office of East Asian Analysis. Comments and queries are welcome and may be directed to the Chief, Southeast Asia Division, OEA,

25X1

25X1

Secret

EA 83-10229

November 1983

Sanitized Copy Approved for Release 2010/09/27 : CIA-RDP84S00928R000100160002-4

25X1

The Philippines: Rescheduling and Austerity Presage More Political Turbulence

25X1

Key Judgments

Information available as of 10 November 1983 was used in this report.

With a 90-day moratorium on principal payments on the foreign debt put in place 14 October, we expect Manila and its leading commercial creditors to turn their attention to formally rescheduling the Philippines' foreign obligations. This is likely to take the form of negotiating a lengthening of maturities on all debt falling due to foreign banks and foreign governments before the beginning of 1985. We place this amount at about $13 billion, or roughly 60 percent of the foreign debt.

25X1

Rescheduling and new International Monetary Fund (IMF) credits will require more austerity during the coming year—largely by reducing imports by about $700 million, according to our calculations. This will further slow economic growth at a time when President Marcos already faces formidable and increasing political problems. A more immediate problem is that Manila's financial trouble may be so serious that the economy cannot survive the payments moratorium without severe disruption. If Manila fails to meet interest payment obligations during the moratorium period, the current financial negotiations would prove particularly complicated.

25X1

The ability of the Marcos government to weather its financial troubles will depend largely on Marcos's ability to ease the international financial community's fears about political instability. Marcos has the power to accomplish this by clarifying the succession, moving ahead on the Aquino investigation, and ensuring a fair National Assembly election next May. Continued health problems, jockeying for succession in Marcos's inner circle, an unfavorable outcome of the Aquino assassination investigation, or violent demonstrations would prolong political turbulence, however. The near certainty of further devaluations and other austerity measures will, in any case, complicate Marcos's difficulties by adding to the grievances of labor, the middle class, and the business community. As a worst case, the country could countinue to tumble in a political and financial free fall as the election approaches.

25X1

Over the next few years, successful financial adjustment will require further improvements in the Philippines' trade account and it may even be necessary that the Philippines eventually post a trade surplus, which the country has not managed since 1973. At the very least, the Philippine practice of subsidizing the urban economy by penalizing the rural economy through overvalued exchange rates is over. This presages some economic relief for the countryside during the rest of the decade but suggests a bleak economic future for the politically strategic cities and thus a prolonged period of political turbulence.

25X1

Sanitized Copy Approved for Release 2010/09/27 : CIA-RDP84S00928R000100160002-4

25X1

The Philippines: Rescheduling and Austerity Presage More Political Turbulence

25X1

Recent Balance-of-Payments Developments

Most international financial analysts had expected 1983 to be a year of poor financial peformance for the Philippines and anticipated a liquidity crisis and possible foreign debt rescheduling by early 1984.[1] Manila created many of its own problems by running up the Philippines' short-term foreign debt to $12 billion this year—about one-third of GNP—thus making it extremely vulnerable to changes in private foreign bankers' perceptions of risk. As the country's credit rating has deteriorated this year, moreover, bankers shortened the maturity of the remaining short-term debt from 180- and 270-day financing to overnight and 30-day credits. The interest spread private banks have charged to Philippine borrowers to roll over existing credits has also nearly tripled to almost 2 percentage points over LIBOR (London Interbank Offer Rate).

Events associated with the assassination of opposition leader Benigno Aquino in August accelerated the financial crisis for the Marcos government. Preliminary data show that the balance-of-payments deficit for the third quarter alone reached $659 million, bringing the total for the first three-quarters to an unprecedented $1.4 billion, as foreign banks terminated $493 million in short-term foreign loans and capital flight accelerated (see table 1).

Although private Philippine borrowers have accumulated large payments arrearages since early 1982 (and even refinanced some of their debt), the government apparently had not missed any foreign debt payments until the first week of October 1983. The government's determination to meet its commitments and resist changing the exchange rate, however, carried a remarkable price. During a 17-day period in September, for example, the Central Bank ran down reserves by more than $1 billion.

additional reserve drawdowns of $300 million were required during the second week of October to prevent further arrearages. According to our calculations, the Central Bank has lost reserves of at least $1.8 billion since January—about 5 percent of GNP—and the total balance-of-payments deficit for the year reportedly exceeded $2 billion, almost twice the previous record. 25X1

25X1
25X1

The short-term impact of the current financial crisis has already been substantial. The payments moratorium has thrown Philippine foreign exchange markets into temporary disarray, and October's 21-percent devaluation has put upward pressure on domestic prices of foodstuffs and petroleum products. Manila's serious financial plight rules out continuing subsidies for these products, but public pressure to contain the effects of the devaluation continues to mount. The government has stated it will monitor food prices, and 25X1 Labor Minister Ople has said gasoline rationing may be the most viable course in the months ahead. We believe Manila does not have the machinery to follow up on these pledges, however, and it is likely that more price hikes will continue to fuel domestic disaffection with austerity. 25X1

Because of the uncertainty about the supply of foreign exchange from the Central Bank, commercial banks began refusing to issue new letters of credit and bankers' acceptances to finance imports in late October, contributing to Manila's financial woes. Government officials have adopted de facto foreign exchange 25X1 25X1

Table 1
The Philippines: Balance of Payments

Million US $

	1979	1980	1981	1982	1983[a]
Current Account	**−1,576**	**−2,072**	**−2,589**	**−3,347**	**−2,700**
Merchandise trade	−1,541	−1,939	−2,667	−2,805	−2,250
Exports, f.o.b.	4,601	5,788	5,733	4,995	4,600
Of which:					
Coconut products	965	759	756	647	550
Sugar	238	474	609	324	400
Copper concentrates	330	679	544	340	500
Forest products	484	433	383	340	400
Manufactures	1,520	1,135	1,294	1,050	1,245
Imports, f.o.b.	6,142	7,727	8,400	7,800	6,850
Oil	1,385	2,248	2,458	2,396	2,090
Others	4,757	5,479	5,942	5,404	4,760
Services (net)	−390	−555	−392	−992	−900
Interest payments	−591	−846	−1,101	−1,811	−2,200
Others	201	291	709	819	1,300
Transfers (net)	355	422	470	450	450
Capital account	**997**	**1,720**	**2,029**	**2,212**	**1,200**
Direct investment (net)	99	49	407	259	400
Medium- and long-term loans (net)	1,061	1,044	1,185	1,252	1,150
Short-term loans [b] (net)	−193	446	37	423	−350
Balance	−576	−352	−560	−1,135	−1,500

[a]Projection based on first three quarters.
[b]Including errors and omissions.

[redacted] 25X1

controls, including an expanded list of goods requiring import licenses, a rule that compels banks to surrender their foreign exchange to the Central Bank at the official exchange rate, and a 5-percent import surcharge. In anticipation of shortages in the weeks ahead, speculators are driving up prices of consumer goods sold from inventories. Shortages are not yet evident, but there is at most an 11-day supply of fuel oil stocks, and Manila is concerned that shortages of imports in the weeks ahead will exacerbate its already formidable political problems. [redacted] 25X1

The financial crisis has sharply changed Manila's economic policies, and indications are that further adjustments are in the offing. Budget allocations for 1984 have been trimmed by up to one-third, the peso has been devalued twice this year, and five major industrial projects have been canceled. [redacted] 25X1 25X1

Table 2
The Philippines: Foreign Debt as of June 1983

Million US $

Total debt	**22,700**
Medium- and long-term	14,000
Public and publicly guaranteed	9,735
IMF	1,363
Other official sources	3,284
Multilateral [a]	2,098
Bilateral	1,186
Private banks	3,563
Bonds	1,002
Supplier credits	523
Private	4,265
Private banks	3,665
Supplier credits	600
Short-term, owed by nonbanks [b]	4,460
Revolving trade credits	4,460
Short-term, owed by financial institutions [b]	4,240
Central Bank	2,157
Commercial banks [c]	2,083

[a] Including World Bank.
[b] Reserve financing.
[c] Net; liabilities, $5,118 million; assets, $3,100 million.

[redacted]

Among other things, the Fund reportedly will require that Manila trim the current account to well under $2 billion in 1984, which we believe will require more budget cuts and another major devaluation. The government's traditional pork barrel programs also seem in jeopardy as National Assembly elections approach next May. [redacted]

The Payments Moratorium

Manila's declaration on 14 October that it is unable to pay its foreign obligations places the Philippines irreversibly on the road to rescheduling most of its foreign debt (see box). The moratorium is intended to stabilize the erosion of capital that has so severely

Table 3
The Philippines: Estimated Foreign Debt Due in 1984

Million US $

Total	**12,800**
Medium- and long-term	1,500
Official sources	360
IMF and World Bank	305
Foreign governments	55
Private banks	930
Bonds	100
Suppliers credits	110
Short-term	11,300
Revolving credits	4,460
Others [a]	6,840

[a] Owed by Philippine financial institutions.

[redacted] 25X1

25X1

strained Central Bank finances until a new agreement with the IMF is in place and Manila's private creditors have a chance to consider what needs to be done to restore order to the country's external accounts.[2] [redacted]

25X1

25X1

[redacted]

25X1

[2] The Central Bank will administer the standstill by refusing to clear foreign exchange for transactions involving repayments of principal. [redacted] 25X1

The Looming Rescheduling

The institutional machinery set up to administer the moratorium is the same machinery that would negotiate the rescheduling agreement. Manila and its commercial creditors have created an advisory committee (currently comprising 13 large banks) which will function as an intermediary between borrowers and the 350 commercial banks to which the Philippines owes most of its debt.

The advisory committee will ultimately have to "sell" an agreement to the 350 banks, which have widely varying individual interests. The first hurdle in this process is likely to be getting through the standstill period without missing interest payments.

The next major hurdle will be determining a period of "consolidation," which will determine which payments are rescheduled by designating a time period during which maturing debts are exempt from being repaid under the terms of the original loan contracts. In the negotiations, all creditors will be required to report their claims during the consolidation period to the advisory committee.

The period of consolidation could involve any of several time frames, but it will probably stretch to the end of 1984. In this case, we calculate that about $1 billion in maturing medium- and long-term debt due to private banks will be rescheduled. The payments would probably be restructured over an eight-year period with three years' grace on principal payments. In addition, the short-term debt of about $12 billion will all fall due. A variety of options are open to the banks, but a typical restructuring of the short-term debt would be to stretch payments over three years, or alternatively over five years with three years' grace on principal payments.

Payments to bilateral creditors could be rescheduled, and the advisory committee and the private creditors it represents may well insist on it. Manila has already notified the "Paris Club" to this effect. Manila would like to avoid rescheduling of interest payments because it would severely damage its chances of recovering creditworthiness during the next several years. In any case, however, the decision about the nature and dimension of the rescheduling is likely to be made by Manila and the advisory committee by mid-December. 25X1

25X1

The key component of the rescheduling will be the new financing provided by the private banks and the IMF during the next 15 months. Manila has traditionally secured a "jumbo" loan for the Central Bank in January or February and up to $1 billion in other commercial credits later in each calendar year to meet its needs. Under the shadow of a repayments moratorium this is no longer possible, and Manila's needs for foreign exchange will have to be included in the rescheduling negotiations. 25X1

25X1

As in other reschedulings, the banks will insist that Manila have completed negotiations for an economic stabilization program with the IMF for the entire period of consolidation. Manila and the IMF have already reached agreement in principle and a letter of intent so stating should be signed within several weeks. All parties must be convinced that the total volume of funds provided by the banks, the IMF, and other multilateral creditors is sufficient to ensure 25X1 *that the Central Bank can avert another liquidity crisis in 1984. The matter of new financing is potentially thorny. It is likely that all parties will hold their positions closely, and although many US regional banks are likely to refuse to contribute fresh financing, we believe the matter can be worked out with some haggling by late November. The net financial effect on the Philippines of rescheduling principal payments will be to reduce the burden of servicing the foreign debt over the next 15 months in exchange for having to bear a heavier financial burden through the rest of the decade. If the negotiations follow other rescheduling practices, regular interest charges (LIBOR plus a fixed spread) will continue to accrue* 25X1 *and a refinancing fee will be charged on all rescheduled debt. This will boost the debt service burden later in the decade. In principle, however, a healthier world economy would by then help Manila manage the debt successfully.* 25X1

Sanitized Copy Approved for Release 2010/09/27 : CIA-RDP84S00928R000100160002-4

[redacted]

Although Philippine officials have been quoted in the press as stating that rescheduling can still be avoided, [redacted] they are privately concerned that the government's financial problems are so serious that it may even miss interest payments falling due during the standstill period. With Central Bank reserves now reportedly down to $280 million (about two weeks' imports), interest payments on the foreign debt are running $180 million monthly. In addition, principal payments "bunch" at several critical periods during the standstill. Philippine National Oil Company, for example, already in arrears to US banks, faces $38 million in payments in mid-November that it will be unable to meet, making rollover impossible. A large volume of funds in any case would be required to allow Manila to resume business as usual when the standstill expires. Although accelerated disbursements from US aid programs will help ease financial pressures, prospects for securing new foreign loans with a moratorium in place are nil, and this alone ensures that rescheduling will ensue. [redacted]

[redacted]

The Tests Ahead

A key problem for Manila is that organized protests prompted by the economy's problems are adding to international perceptions of serious political instability. As private foreign banks react by refusing to renew credit lines or outstanding loans, however, the economy has deteriorated, leading to further unrest. [redacted] 25X1

Manila will have great difficulty breaking this circle of events, in our judgment. With another round of government-mandated austerity on the horizon, moderate opponents of the government are actively courting the business community. 25X1 For example, the most prominent opposition group, UNIDO, solicited the advice of the business community in preparing its draft economic program, and the opposition seem 25X1 certain to gain from the government's financial problems.[3] In addition, the radical left can be expected to build stronger links to organized labor, where its influence is already on the rise. For their part, radical student leaders have long preached that "financial imperialism" by the United States, the World Bank, the IMF, and private foreign banks has robbed the Philippines of its economic sovereignty. These messages will be repeated frequently as the pain of financial adjustment spreads, and we believe Filipinos will be more receptive to such arguments in the present environment. [redacted] 25X1

So far, increased labor unrest appears to be the most serious manifestation of the fallout from economic policy adjustments. Organized labor has called for wage increases of up to 50 percent to compensate for the devaluations of June and October. It is likely to 25X1 repeat these demands with renewed conviction if further devaluations are undertaken. The financially strapped private sector has been in no position to grant such demands because of rapidly rising import costs, and thus a rash of strikes has plagued Manila—including a virtual shutdown of the nearby Bataan Export Processing Zone by 25,000 workers for several days in mid-October. Government workers have also displayed restiveness. Half of Manila's schools have been shut down by a teachers' strike, and telephone workers have brought communications to a halt on several occasions. [redacted] 25X1

25X1

[redacted]

The business community, which has been at the forefront of antigovernment demonstrations in recent weeks, is caught in the most serious cash squeeze since a financial crisis erupted in 1981. In addition to facing likely shortages of imported raw materials and spare parts in the weeks ahead, interest rates have risen sharply this year, and the interbank rate currently stands at a prohibitive 33 percent. Government-mandated wage hikes of 19 percent, announced 7 November, are intended to placate organized labor, but they fall well short of labor's recent demands. Further corporate liquidity problems in any case are certain because the government has extended price controls on 13 basic commodities to a wide variety of industrial products in a bid to contain the inflationary impact of the devaluation. The only bright spot for industry in the next few months is debt relief because of the standstill on principal payments to foreign banks. [redacted] 25X1

To complicate matters, Manila's policy moves over the last several months, combined with further policy adjustments that will be mandated by the IMF, will sharply curtail imports and thus economic activity during the next year. We calculate that the volume of balance-of-payments financing likely to be made available for 1984 is not large—at most several hundred million dollars in new financing provided by commercial creditors, about $1 billion previously committed by official creditors, and about $1 billion in debt relief resulting from the rescheduling. The Philippines' current account deficit thus will have to be trimmed to $2 billion or less even without an instruction to this effect from the IMF. This requires cutting at least $700 million from the $2.7 billion deficit likely to be posted for 1983. Both interest payments on the foreign debt and the service account deficit are likely to escalate further, however, so that the merchandise trade deficit will have to improve by almost $1 billion.[4] Although some of the improvement will come from increased export earnings, it seems likely that imports will have to fall by at least $700 million. [redacted] 25X1

Because Philippine imports are primarily capital equipment and industrial raw materials such as steel and chemicals, a contraction implies that several years will be required before the Philippines can take advantage of economic recovery in industrial countries. Next year, in particular, the Philippines may fail to match 1983's meager growth rate, which preliminary data suggest will be no more than 2 percent. Imports are also a prerequisite for job creation. Thus retrenchments will exacerbate labor unrest. In addition, one temporary casualty of the need to curtail imports is likely to be the Philippines' well-thought-out and well-implemented energy diversification program. [redacted] 25X1

Resolving the Political Crisis

The extent of next year's crunch will depend in large measure on Marcos resolving the current political crisis. [redacted] 25X1 25X1 only a successful investigation into Aquino's death and a more credible succession process will ease commercial bankers' anxieties about political stability. 25X1 Some members of the advisory committee are especially disturbed by jockeying for influence among Marcos's inner circle, much of which appears related to succession maneuvering. Imelda Marcos and her brother, Ambassador to the United States Benjamin Romualdez, are known to regard Prime Minister Virata and the technocrats as a threat to their succession ambitions because the technocrats are so highly regarded by the commercial bankers, the IMF, and Manila's other official creditors. If Imelda's attack on Prime Minister Virata in the ruling party's caucus early this year is any guide, she would be pleased to see the technocrats take the full blame for the current financial crisis, thus removing Virata from the succession sweepstakes [redacted] 25X1

Marcos has recently issued press statements reaffirming the existing succession mechanism, but we believe the constitutional mechanism remains fragile, and Marcos's true intention regarding the succession and the technocrats remains unknown. He has recently 25X1 refused suggestions from the moderate opposition and members of the ruling party that the Constitution be amended to provide for a vice president [redacted] 25X1 25X1

[4] Assuming that interest payments are not rescheduled. [redacted] 25X1

[redacted] According to US Embassy reporting, however, Romualdez's attacks on Virata may intensify in the future. If Virata or Central Bank Governor Jaime Laya prove to be casualties of this maneuvering, we believe the impact on Manila's ability to recover its creditworthiness next year would be devastating. In any event, the advisory committee's deepest fear is that a prolonged political crisis will offset the financial benefits of the rescheduling and require further moratoriums on the debt. [redacted]

Marcos could arrest the financial free-fall by moving decisively on the issues concerning the foreign financial community. He has yet to do so. If he fails to move soon, the financial slide could cause major problems for the Philippine Government, including a ruling party defeat in the elections, a second debt rescheduling later in 1984, a far-reaching cabinet reshuffle—or even the eventual fall of the Marcos government. A variety of indicators would provide advance warning of mutually reinforcing economic and political turbulence in the weeks ahead.

With respect to opposition activity and the grievances of the middle class, labor, and the business community:

- Violence at demonstrations sparked by leftist opposition groups. Aquino's birthday on 27 November is a particular flashpoint.

- Failure by Marcos to induce participation by moderate opposition groups in the National Assembly elections. He has offered several concessions on the rules for the elections, but the opposition could hold out for concessions that Marcos is not willing to grant.

- Further inroads into moderate opposition alliances by leftest organizations, including the overtly non-Communist National Democratic Front. The Front is well represented already in the Justice For Aquino, Justice For All coalition.

- An unfavorable outcome of the investigation into the assassination, which could fuel new protests. 25X1

[redacted] 25X1

25X1

- Large turnouts of labor groups at demonstrations, including heavy representation by radical labor groups such as the May First Movement. Strike activity on a large scale would have a similar effect.

- Strengthening ties between moderate opposition groups and the business community, to include heavy funding for the National Assembly elections. Marcos's bitter criticism of the nation's top business leaders at a public forum on 10 November could reinforce this trend. [redacted] 25X1 25X1

With respect to Marcos's health and his control over the government:

- [redacted] His medical episode in early August precipitated considerable succession jockeying.[5] 25X6

- Further succession maneuvering by Imelda Marcos and Benjamin Romualdez. This could come at the expense of the technocrats.

- Preemptive moves by the Philippine military to assume control over the government, presumably at the behest of General Ver. Defense Attache reporting indicates that contingency planning is already under way, probably in anticipation of protests planned for Aquino's birthday, and could be triggered by a new wave of unrest. This is particularly likely if the unrest takes on radical overtones.

- Continued isolation by Marcos from his most astute advisers. According to US Embassy reports, Marcos has seen only a few palace sycophants on a regular basis since Aquino was shot. [redacted] 25X1

[redacted] 25X1

With respect to financial developments and the rescheduling negotiations:

- Further reports of capital flight as political turbulence continues. This would seriously complicate prospects for returning order to the balance of payments.

- Further refusals by small US and West European banks to participate in the repayments moratorium. This could make it difficult for the advisory committee to "sell" a rescheduling agreement to Manila by requiring relatively unattractive rescheduling terms. The conclusion by the bank advisory committee on 9 November that $2.3 billion in new financing is required to cover Manila's needs over the next 15 months could have the same effect.

- More footdragging by Manila on necessary austerity measures. This could make it difficult for the advisory committee to sell an agreement to the private banks.

- A failure by the Central Bank to increase reserves once rescheduling is negotiated. Failure to reform reserve financing practices would have the same effect. A particularly telling indicator would be Central Bank resistance to appropriate exchange rate adjustments.

Adjustment in the Long Term

If Manila survives its current troubles, its long-term financial prospects are far less bleak. With recovery in the Philippines' traditional export markets on the horizon, we believe that Manila will have put in place a policy reform package that can generate successful adjustment in the economy. The World Bank's Structural Adjustment Program has already gone a long way to reduce tariffs and to streamline the manufacturing sector. Price distortions for domestic energy products have—with the exception of those for electricity—largely been eliminated. However painful the inflationary impact in the short run, moreover, the October devaluation will accomplish more than any single measure in restoring stability to the country's external accounts, in our judgment.

Even so, several years will be required before imports can resume the pace of expansion required for the 6-percent annual growth the Philippines averaged in the 1970s. The constraint imposed by limited imports of capital goods and raw materials will be eased somewhat if the Central Bank aggressively promotes exports. This would require further depreciation of the peso in the years ahead and thus a shakeout in that part of the manufacturing sector purchasing inputs abroad but selling its products in the domestic market. 25X1

The period of adjustment will have drastically different effects on the urban and rural economies. The rural economy has traditionally produced large foreign payments surpluses through the export of products such as sugar and coconut products. For this reason, Manila has long discriminated against the agricultural sector by managing an exchange rate that kept returns from export earnings low while keeping imports for urban consumers relatively inexpensive. The rural economy stands to benefit from an end to this practice. 25X1

The urban economy, on the other hand, responsible for most of the foreign debt buildup of the late 1970s and early 1980s (largely through government-administered programs such as food and fuel subsidies), will have to absorb the pain of financial adjustment for some time to come. Manila thus faces a prolonged period of austerity at a time the urban labor force is growing rapidly. The combined effects on the political arena of changing demographics and austerity could prove difficult to contain. 25X1

25X1

25X1

Table 5
The Philippines:
Trade Balance, by Sector

Million US $

Sector	1979	1980	1981	1982	1983 [a]
Current account	**−1,576**	**−2,072**	**−2,589**	**−3,347**	**−2,700**
Merchandise trade	**−1,541**	**−1,939**	**−2,667**	**−2,805**	**−2,250**
Minerals (net)	**771**	**1,169**	**984**	**950**	**1,200**
Exports					
Copper	330	679	544	340	500
Imports					
Iron ore	49	74	60	60	70
Agriculture (net)	**1,568**	**1,563**	**1,137**	**1,180**	**1,100**
Exports	2,095	2,271	1,914	1,970	2,200
Coconut products	965	759	756	647	550
Sugar products	238	474	609	324	400
Forest products	484	433	383	340	400
Imports	527	708	777	790	1,080
Fertilizers	91	139	105	120	140
Foodstuffs	402	541	639	630	900
Capital goods	34	28	33	40	40
Manufacturing (net)	**−1,232**	**−991**	**−584**	**−560**	**−600**
Exports					
Nontraditionals	1,520	2,108	2,609	2,900	3,440
Imports					
Raw materials	2,279	2,267	2,570	2,910	3,370
Capital goods	590	650	623	550	590
Energy (net)	**−1,628**	**−2,484**	**−2,703**	**−3,210**	**−3,220**
Imports					
Oil	1,385	2,248	2,458	2,396	2,090
Coal	14	22	30	30	100
Capital goods	280	290	301	850	950
Other sectors (net)	**−954**	**−1,077**	**−1,005**	**−870**	**−830**
Imports					
Consumer goods	200	246	192	260	310
Capital goods	882	1,018	972	680	700
Services, transfers (net)	**−35**	**−133**	**78**	**−542**	**−450**
Interest payments	−591	−846	−1,101	−1,811	−2,200
Worker remittances	365	421	546	690	830
Transfers	355	422	470	450	450

[a] Estimated.

25X1

Secret

Secret